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Subject Greka Violates Enforcement Order: U.S. EPA Takes Over
U.S. EPA assumes control of critical activities at Greka's
Gato Ponds

This is being sent to the media this morning and I wanted to make sure that you saw the latest. Please let me know if you have any questions, Thanks, Jim

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Greka Violates Enforcement Order: U.S. EPA Takes Over

U.S. EPA assumes control of critical activities at Greka's Gato Ponds

SAN FRANCISCO - Greka Oil and Gas, Inc. has failed to meet multiple clean up deadlines set by the U.S. Environmental Protection Agency at their Gato Ponds lease. As a result, the EPA has assumed control of a portion of clean up activities at Gato Ponds -- located at 6057 Palmer Road in Santa Maria.

"This is the third time the EPA has had to take over clean up activities because Greka failed to meet reasonable standards," said Daniel Meer, assistant director for the Emergency Response, Preparedness and Prevention Branch of the Superfund Division in the EPA's Pacific Southwest region. "We have given Greka Oil and Gas every opportunity to effectively conduct this clean up under federal oversight, but they have failed to meet our deadlines. Efficient clean up is especially important as we approach the rainy season."

The EPA is taking over the most critical activities and the federal government will then seek reimbursement of those costs from Greka.

The EPA first assumed clean up responsibilities from Greka in 2005 following the first Zaca lease spill. The EPA stepped in again to assume clean up from Greka earlier this year following their Bell lease spill because the company repeatedly failed to meet federal standards.

The EPA ordered Greka to mitigate the hazards at Gato ponds due to their close proximity to Cat Canyon Creek. The ponds were leaking in multiple locations and posed an extreme hazard for a spill. There are several drainage pathways leading from Gato ponds to the riparian habitat next to the Creek and then into the creek itself. The creek flows to the Santa Maria River, which flows to the Pacific Ocean. Downstream from the Gato Ponds, the Creek is the home to threatened and endangered species.

At the direction of the EPA, and in conjunction with federal, state, and local authorities Greka has been engaged in clean up efforts at the Gato Ponds spill site. The EPA is taking this action because Greka Oil and Gas, Inc. violated the EPA's "Order for Removal, Mitigation, and Prevention of a Substantial Threat of Oil Discharge," Docket No. OPA 311-09-2008-0005. In a letter dated August 7, 2008, the EPA amended the order to include multiple deadlines for different stages of work. Greka has failed to meet these deadlines.

Greka may face fines and penalties pursuant to order, for the violations. The law allows for fines of up to \$32,500 per day, for each violation.

Members of the media: To receive an electronic copy of the letter the U.S. EPA sent to Greka regarding this issue please send an email with your request to simms.mary@epa.gov. Please include your name, contact information, media affiliation and deadline in your request.

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